

Service Date: August 31, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application )  
by PACIFIC POWER AND LIGHT COM- ) UTILITY DIVISION  
PANY to Adopt Increased Rates ) DOCKET NO. 82.4.28  
For Electric Service. ) INTERIM ORDER NO. 4928

FINDINGS OF FACT

1. On April 27, 1982, Pacific Power and Light Company (PP&L, Company, or Applicant) filed an application with the Montana Public Service Commission seeking increased rates of \$5,962,000 above and beyond the \$6,435,000 increase earlier requested by the Company in Docket No. 81.8.70.
2. The Commission has subsequently issued Order No. 4881a in Docket No. 81.8.70 and Order No. 4916 in Docket No. 82.6.41, both of which affect the rates and revenue levels contained in Docket No. 82.4.28.
3. In order to incorporate the effect of the aforementioned recent Commission decisions, as well as to clarify the Company's proposals in Docket No. 82.4.28, the Applicant submitted to the Commission on July 9, 1982, revised testimony and exhibits for this Docket. Based on these revisions, PP&L determined that for the test year ended December 31, 1981, the Company requires additional revenues of \$9,646,000 in excess of rates presently in effect. Of this amount, the Company estimates that \$2,080,000 can be recovered from the Bonneville Power Administration (BPA)

pursuant to the terms of the Company's Residential Purchase, and Sale Agreement with BPA authorized by the Pacific Northwest Electric Power Planning and Conservation Act (Regional Act). Therefore, the revised tariff schedules are designed to produce a net revenue increase of \$7,566,000 over the presently effective rates.

4. On July 14, 1982, PP&L {fled with the Commission an application, subject to rebate, for interim rate relief in the amount of \$3,103,000, based on a test year ended December 31, 1981. In conformity to the provisions of ARM 38.5.506, as amended, the Company calculated the requested interim relief based upon the adjustments, methodology, rate of return on equity, and overall rate of return contained in Order No. 4881a, Docket No. 81.8.70.

5. Upon analysis of the Company's calculations, a mathematical error was discovered in the interest computation. The amount of revenue increase granted by the Commission in this Order reflects an adjustment for that error.

6. In its calculation of firm power sales, the Company did not normalize, based on current market conditions. The Commission, however, requested from PP&L worksheets which show the normalization of firm power sales and the effect such normalization has on the Applicant's interim revenue request. The amount of revenue increase granted by the Commission in this Order reflects the adjustments related to normalization of firm power sales. This action is in accordance with the methodology used in Order No. 4881a of Docket No. 81.8.70.

7. In order for PP&L to produce an 11.12% rate of return, consistent with Order No. 4881a of Docket No. 81.8.70, the Commission finds the appropriate level of interim rate relief to be in the amount of \$2,648,000 of increased revenues. This interim increase reflects the adjustments described in Findings of Fact 5 and 6.

8. Montana Consumer Counsel has been a party to these proceedings since the inception of this Docket

#### CONCLUSIONS OF LAW

1. Applicant Pacific Power and Light Company, is a public utility furnishing electric service to consumers in the State Montana. As such, it is subject to the supervision, regulation, and control of this Commission, Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision".

3. The Commission concludes that an interim rate increase is a reasonable means of providing interim relief to the Applicant.

4. In the event that any revenue increases authorized by this Order are found to be unjustified in the Final Order in this Docket, the Commission will order a rebate thereof to all customers, subject to Section 69-3-304, MCA.

#### ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Applicant, Pacific Power and Light Company, is hereby granted authority to implement on an interim basis increased rates designed to generate \$2,648,000 in additional revenues on an annual basis.

2. Pacific Power and Light Company is to file revised rate schedules spreading the increased revenues to the existing customer classes on a uniform percentage increase basis.

3. Nothing in this Interim Order precludes the Commission from adopting in its final order after reviewing the entire record in this Docket a revenue requirement different from that contained in this Order.

4. The interim relief granted in this Order is to be effective for electric service rendered on and after September 1, 1982.

DONE IN OPEN SESSION THIS 30th day of August, 1982 by a vote of 4 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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GORDON E. BOLLINGER, Chairman

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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CLYDE JARVIS, Commissioner

ATTEST:

Madeline L. Cottrill  
Commission Secretary

(SEAL)

NOTE: You may be entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be

obtained by filing a petition for review within thirty (30) days from the service of this order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. the Montana Administrative Procedure Act, esp. Sec. 2-4-702, M.C.A.; and Commission Rules of Practice and Procedure, esp.38.2.4806 ARM.